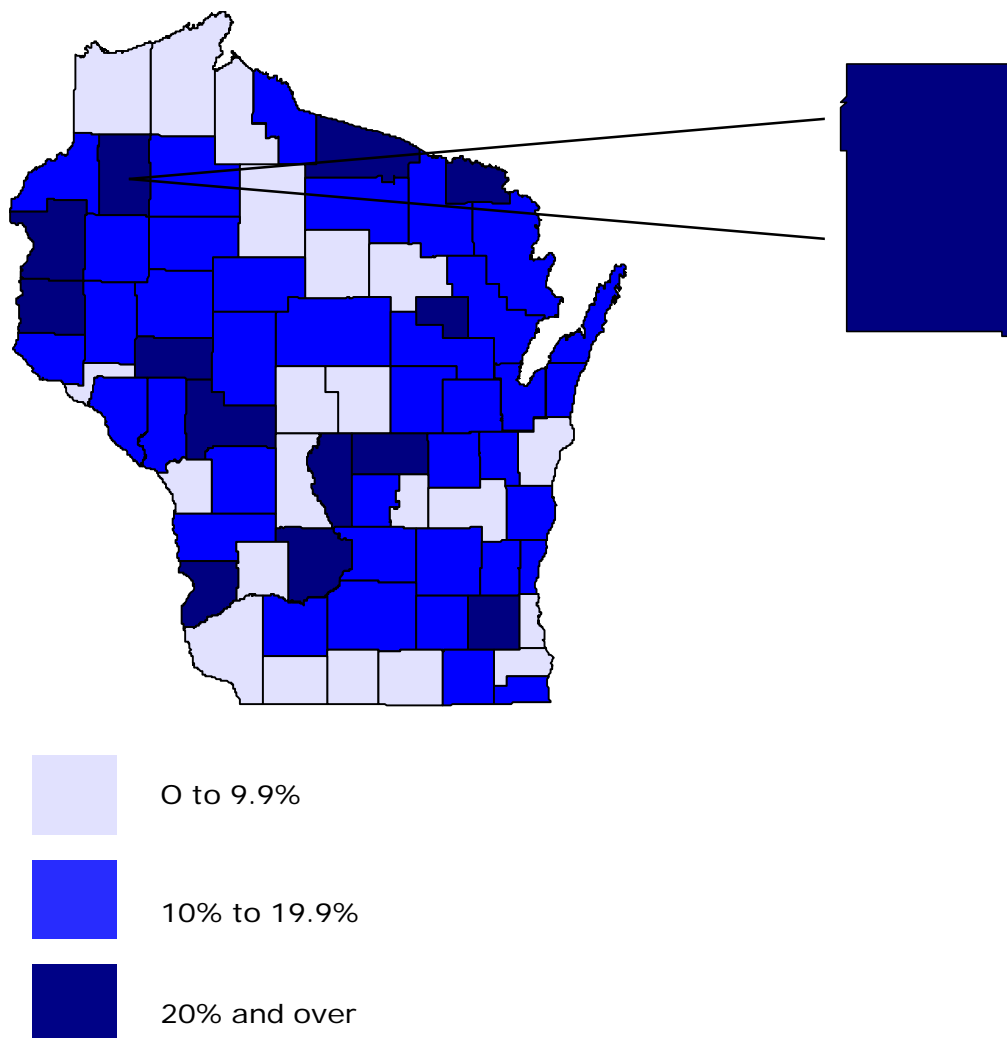


Washburn County Workforce Profile

Job Growth 1994 to 1999



Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001



Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Washburn County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: <http://www.dwd.state.wi.us/lmi>.

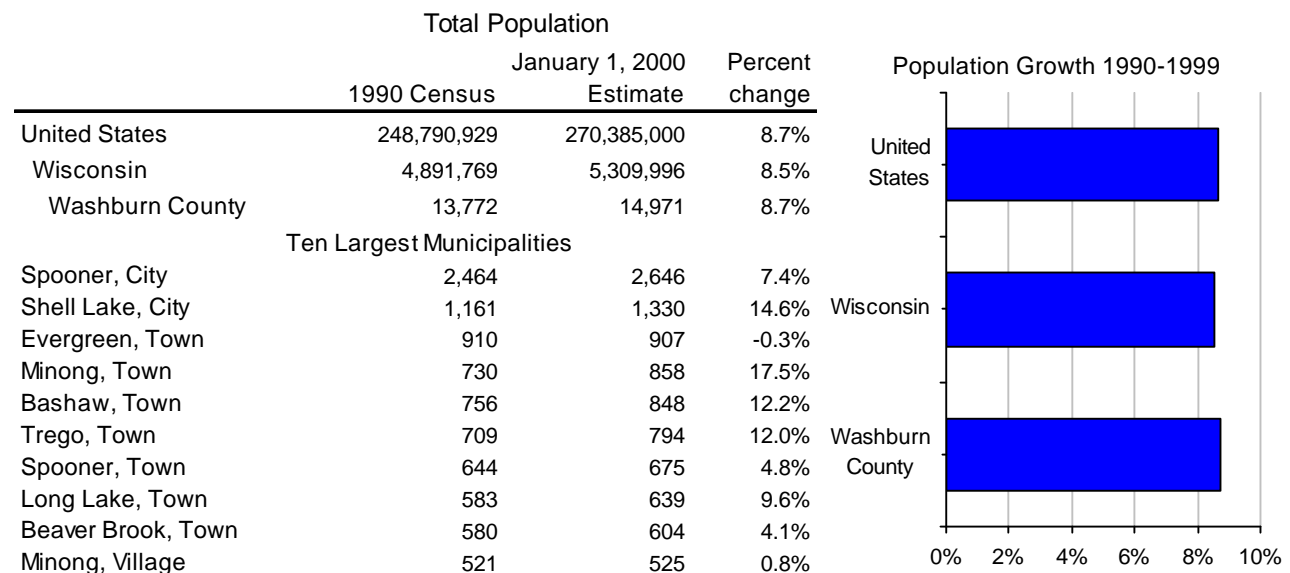
For more detailed information or clarification, please contact your local labor market analyst, Beverly Gehrke, by telephone (715-634-5289) or email (gehrkb@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Washburn County Population and Civilian Labor Force

The total population in Washburn County grew 8.7 percent from 1990 to January 2000, greater than state expansion, but not national. The largest numeric increase in population was in the City of Spooner, the county's largest city. Roughly 15 percent of the increase in county population since 1990 occurred there. The increase in county population was entirely from migration with 1,482 individuals moving to the county. The net migration rate of 10.8 percent was nearly triple the state migration rate of 3.7 percent.

Of the 14,971 residents living in the county at the end of 1999, 11,693 (78%) were 16 years and older. Since 1990, this population segment increased by 1,170, while the segment aged 15 and under increased by 29, resulting in the net county population increase of 1,199.

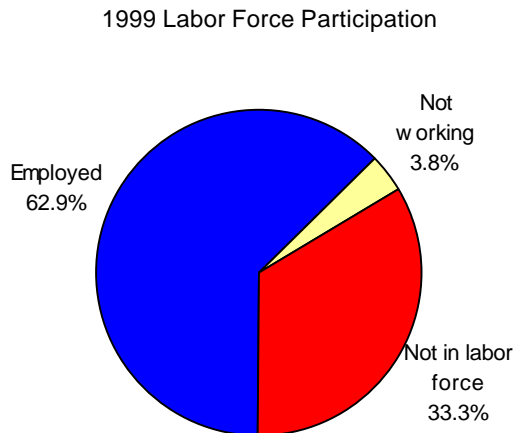


* Washburn County portion only

Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000

The segment of the population 16 years and older is important because the U.S. Bureau of Labor Statistics use the age of 16 as the demarcation point for entrants into the potential labor force. The labor force, by definition, includes those who are either working or looking for work, but does not include individuals who have made a choice to not work: retirees, homemakers, and students; nor does it include institutional residents, military personnel, or discouraged job seekers.

Labor force participation increases and contracts with changes in labor market conditions. For example, each spring the Washburn County labor force expands as seasonal workers enter the labor market either to begin a job or to start looking for work.



Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

The number of residents aged 16 years and over who are in the labor market determines the labor force participation rate. In 1999, the non-institutional population 16 years and over was 11,519. Of those, 7,680 were actively participating in the labor force and the labor force participation rate was 66.7 percent. While that is an increase from 1990, it is below both the state and national participation rates of 72.3 and 67.1 percent, respectively.

As younger residents age, interest in working and holding a job increases. Teenagers are less likely to participate in the labor force because they are in school. Residents between the ages of 25-54 share the most incentives to work and have the highest participation rates. At 55, however, workers begin to withdraw from the labor market and, by 65, most workers have retired.

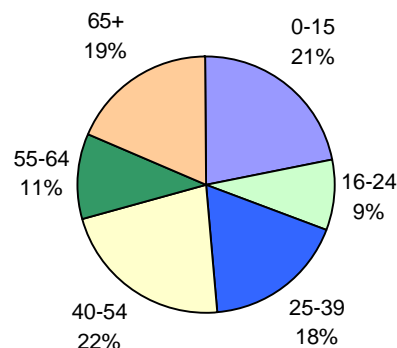
The two largest age groups in the labor force age population (16 years and older) in 1990 were 25-39 and 40-54 and, by 1999, they still comprised 51 percent of the potential labor force. This segment of the population has some of the highest participation rates, often exceeding 85 percent. Even with so many potential workers, participation in the county labor force was lower than state participation because such a large share of the population is over 55 years old and labor force participation from this age segment drops to 50 percent and lower.

In 1999, roughly 39 percent of the labor force age population (16 years and older) was over 55 years old, much higher than the share statewide of 28 percent. This segment of the population is projected to increase to over 45 percent by 2010. While the labor force age population will continue to increase that increase is slowing. Each year the number of new entrants grows smaller and the composition of the labor force grows older.

Washburn County Labor Force Age Population Distribution

Age Group	Population		Percent change
	1990 Census	1999 Estimate	
0-15	3,249	3,279	0.9%
16-24	1,226	1,351	10.1%
25-39	2,835	2,643	-6.8%
40-54	2,364	3,281	38.8%
55-64	1,486	1,619	9.0%
65+	2,612	2,799	7.1%

Source: Estimated from WI Dept of Admin, Demographic Services Center, Official Population Projections 1990-2020 and US Census Bureau



Washburn County Civilian Labor Force Data

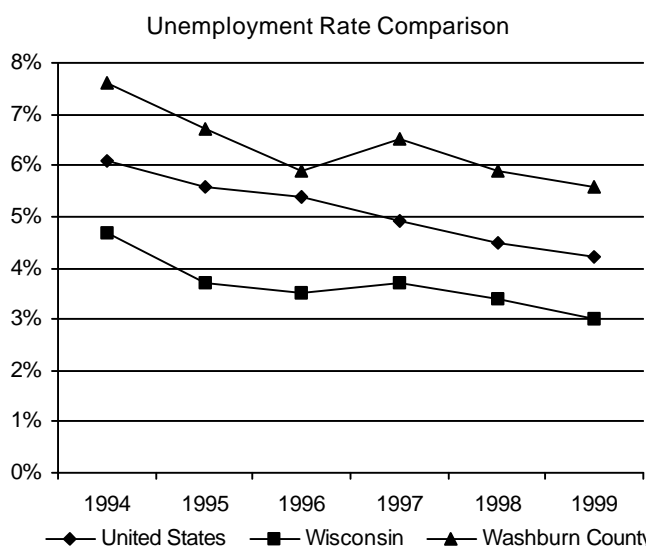
	1994	1995	1996	1997	1998	1999
Labor Force	7,100	7,300	7,600	7,800	7,800	7,700
Employed	6,500	6,800	7,100	7,300	7,400	7,200
Unemployed	540	480	450	510	470	430
Unemployment Rate	7.6%	6.7%	5.9%	6.5%	5.9%	5.6%

Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

The unemployment rate differs from the percent of the labor force age population not working. The unemployment rate is a percent of labor force participants (66.7% of the labor force age population in Washburn County) who are unemployed and actively looking for work. The number of unemployed in the county includes not only those who are receiving unemployment benefits, but also any resident who actively looked for a job and did not find it.

Out of a total labor force in Washburn County in 1999 of 7,680, 5.6 percent were unemployed. This is higher than both the state and national unemployment rates of 3.0 and 4.2 percent, respectively, in 1999.

Since total employment counts individuals (some who work more than one job) it can decline even as the number of wage and salary jobs increases. Also, the number of employed in Washburn County includes not only residents who work for employers located both in and beyond the county boundaries, but all self-employed residents and proprietors. Roughly 23 percent of the number of employed in Washburn County are either farm or nonfarm proprietors. Since 1994, total em-



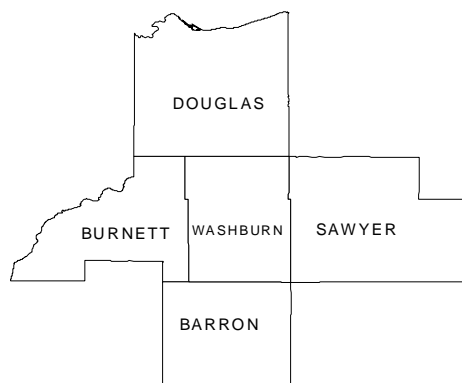
Source: WIDWD, Bureau of Workforce Information, Local Area Unemployment Statistics

ployed increased by over 700 while the number of proprietors increased 165. In the last year, however, the number of proprietors declined by 50.

Washburn County Commuting Patterns

	Commute To	Commute From	Net Commute
Barron County	577	225	-352
Burnett County	58	312	254
Douglas County	56	137	81
Sawyer County	380	366	-14
Elsewhere	257	96	-161
Total	1,328	1,136	-192
Commute within County	4,245		

Source: WI DWD, Bureau of Workforce Information. *Wisconsin's Commuting Patterns*, 1994.

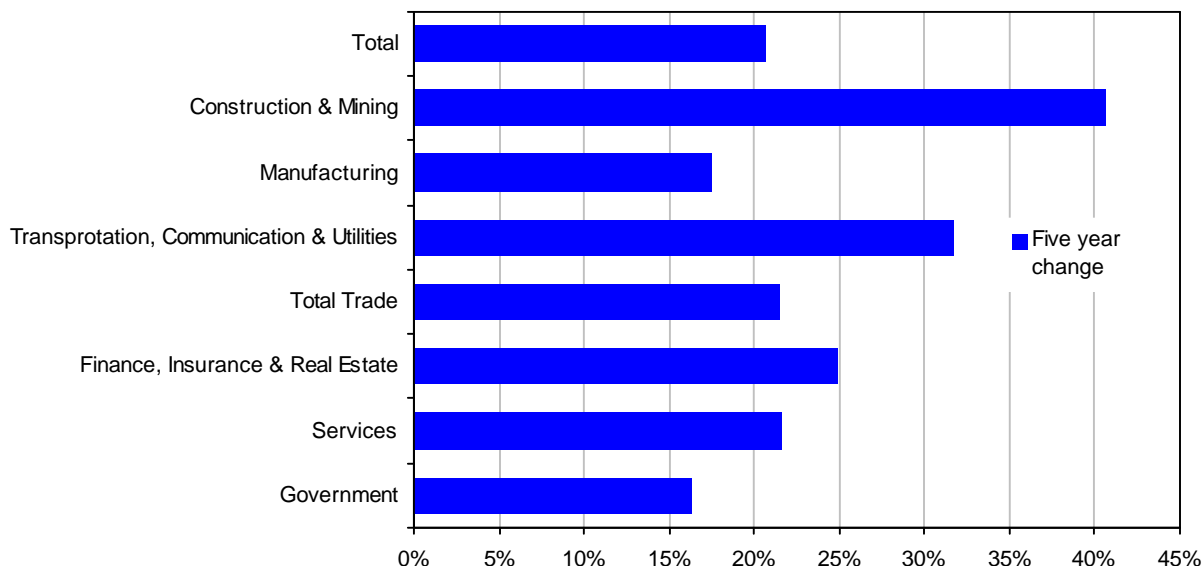


Note: Information on commuting patterns of workers is available only from decennial census data. Since 1990 the number of workers has increased and so has travel on area highways. Until the 2000 census is released, however, the only data we have remains from 1990.

The county labor force includes all employed and unemployed residents who live in the county, even though they may travel out of the county to work. In Washburn County in 1999 that included over 1,300 residents who commuted to communities in surrounding counties for a job. The most traveled to destination was the City of Rice Lake in Barron County. Of the nearly 580 who traveled to Barron County, 60 percent of them worked in the City of Rice Lake.

Washburn County residents are joined every day by over 1,100 commuters from neighboring counties. The vast majority of workers, however, are county residents. For both the workers who commute into the county and those that live there, the primary destination is the City of Spooner. That's where six of the county's largest employers are located, as well as most of the county's retail outlets.

Washburn County Employment Change by Industry 1994 to 1999



	1994	1995	1996	1997	1998	1999	Percent change	
							1 year	5 year
Total	4,880	5,084	5,295	5,548	5,689	5,887	3.5%	20.6%
Goods Producing	1,043	1,094	1,123	1,177	1,181	1,258	6.5%	20.6%
Construction & Mining	137	143	185	211	165	193	16.9%	40.6%
Manufacturing	906	951	937	965	1,017	1,065	4.8%	17.5%
Durable	641	662	639	650	671	693	3.3%	8.1%
Nondurable	265	289	299	316	346	372	7.7%	40.3%
Service Producing	3,837	3,990	4,172	4,372	4,507	4,630	2.7%	20.7%
Transportation, Communications & Utilities	196	219	231	256	258	258	-0.1%	31.7%
Total Trade	1,215	1,278	1,354	1,365	1,422	1,476	3.8%	21.5%
Wholesale	133	153	141	132	128	140	8.9%	5.4%
Retail	1,082	1,126	1,213	1,234	1,293	1,336	3.3%	23.5%
Finance, Insurance, and Real Estate	213	211	222	234	255	266	4.4%	24.9%
Services & Misc.	1,057	1,068	1,137	1,196	1,231	1,285	4.4%	21.6%
Total Government	1,156	1,213	1,229	1,320	1,341	1,345	0.3%	16.3%

Source: WIDWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

Nonfarm wage and salary employment measures the number of jobs within a county excluding family farming, military, and self-employed workers. This data, also known as place-of-work data, counts the number of jobs at a work site without consideration of where the job-holder lives.

In Washburn County, nonfarm wage and salary employment outpaced state growth in both the one- and five-year intervals. The greatest share of new jobs since 1994 was in retail trade, but the largest percent increase was in construction. Both increases are the result of people moving to the county and wanting more retail options. New stores and services require construction and new residents build and remodel homes. An increase in county residents also increased the demand for private and public services. Government and service industry employment had the second and third greatest number of new jobs over the five-year period.

Employers in the services industry division added 230 jobs between 1994 and 1999, increasing employment by 20.6 percent, which exceeded the increase in the state of 19.8 percent. Although total increases in employment slowed in 1999, employers in the services industries added over one-quarter of the new jobs and the percent increase exceeded growth in the state of 20 percent. Much of that growth was generated by healthcare providers and social services agencies.

The county also out-performed the state in manufacturing job growth over the five-year period with the addition of roughly 160 jobs. Two-thirds of those jobs were in nondurable goods production, even though they provide less than half the manufacturing jobs in the county.

Washburn County's Largest Industries and Employers

Top 10 Industry Groups

Industry Group	March 2000		Numerical Change	
	Employers	Employment	1 Year	5 Years
Health Services	22	599	-3	103
Educational Services	*	*	*	*
Eating And Drinking Places	50	570	67	242
Food And Kindred Products	*	*	*	*
Executive, Legislative, And General	16	341	-10	7
Lumber And Wood Products	17	310	9	55
Automotive Dealers & Service Stations	20	252	-13	101
Food Stores	7	192	-2	33
Industrial Machinery And Equipment	8	170	35	4
Social Services	14	162	32	-31

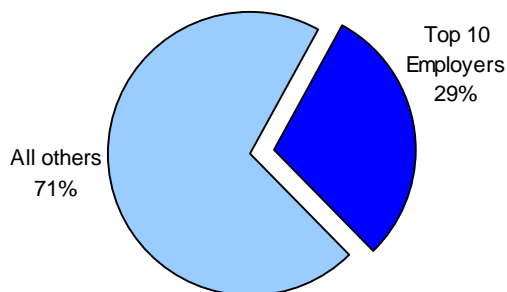
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Top 10 Employers

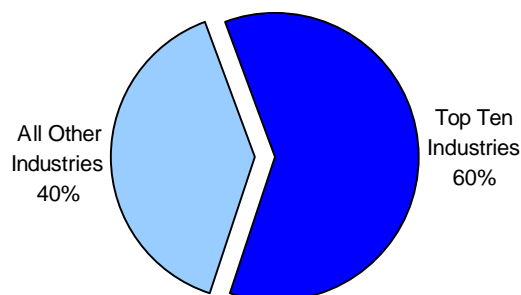
Company	Product or Service	Size
Link Snacks Inc	Food products: snacks	250-499
School District of Spooner	Education	100-249
Spooner Health System Inc	Health care services: hospital	100-249
County of Washburn	Executive and general government	100-249
Birchwood Lumber & Veneer	Lumber & wood products: veneer	100-249
Schmitz's Spooner Economart	Food stores: groceries	100-249
School District of Shell Lake	Education	100-249
Department of Natural Resources	Environmental administration	100-249
Indianhead Medical Center	Health care services: hospital	50-99
US Postal Service-Spooner	Transportation: mail distribution	50-99

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.

Top 10 Employers Share of Nonfarm Employment



Top 10 Industry Groups Share of Nonfarm Employment

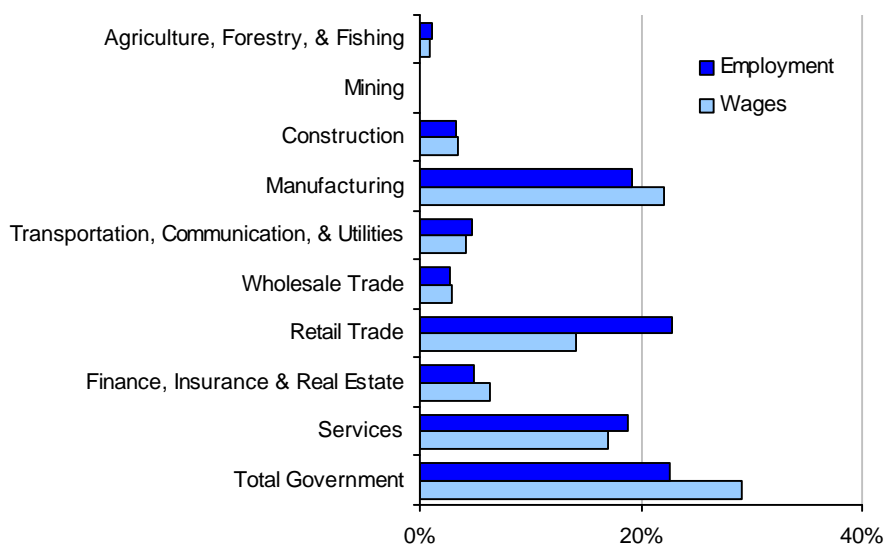


Ten employers, out of 555 in Washburn County, provide 29 percent of all the jobs and, because Washburn County is the center for several regional government offices, five of them are government agencies. That includes two school districts that provide education services. The second industry group, education services, includes both public and private institutions and employment is most often included with the larger government sector since most schools are funded by local taxes. Employment with private education facilities is included in the services industry division. The services industry division is also represented in the top list by health care and social services. Industry groups in the retail trade division hold three spots on the top ten list: eating and drinking places, automotive dealers and service stations, and food store; but are represented by only one employer in the top ten list. Most employers from the retail trade division are small, but together they employ many workers. Two of the largest employers in the county, including the largest, are manufacturers.

Washburn County Employment and Wages 1999

	Annual Average Wage	State Average Wage	Percent of State Average	Percent change 1 year	Percent change 5 year	Number of Workers
All Industries	\$20,947	\$29,609	70.7%	3.5%	15.6%	5,697
Agriculture, Forestry, & Fishing	\$17,503	\$21,499	81.4%	-0.6%	21.8%	58
Mining	*	\$39,968	*	*	*	*
Construction	\$21,623	\$36,772	58.8%	10.9%	9.1%	185
Manufacturing	\$24,080	\$37,773	63.7%	2.6%	11.4%	1,096
Transportation, Communications, & Utilities	\$18,700	\$34,523	54.2%	-6.3%	3.9%	265
Wholesale Trade	\$22,792	\$38,048	59.9%	-2.3%	18.6%	150
Retail Trade	\$12,903	\$15,066	85.6%	2.5%	11.3%	1,302
Finance, Insurance, & Real estate	\$27,413	\$37,911	72.3%	8.2%	39.1%	276
Services	\$18,945	\$26,041	72.8%	3.7%	24.4%	1,076
Total Government	\$27,001	\$32,017	84.3%	3.7%	15.5%	1,289

Total Employment and Wage Distribution by Industry Division



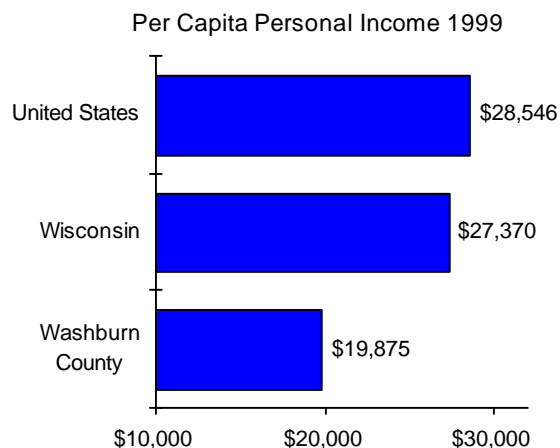
Source: WI DWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

Note – The data from Employment and Wages Covered by Wisconsin's Unemployment Insurance Law differs from employment data in the nonfarm wage and salary estimates because: 1) multi-location employers report all workers and wages at a single site, i.e., retail franchises; 2) not all employers are covered by the unemployment insurance law and therefore are not included in this data, i.e., railroads, parochial schools.

Since Washburn County is a regional location for several government units, government comprises a greater share of employment than in most counties in Wisconsin. Government had the highest payroll in the county at \$34,804,476, but not the most workers. Retail trade had the most workers; but because many are part time, and wages generally low, it had only the fourth highest payroll at \$16,799,890. The second highest payroll in the county was in manufacturing at \$26,392,060. Total payroll for all industries was \$119,337,416 and, when divided by 5,697 jobholders, produced an annual average wage of \$20,947.

The highest annual average wage in the county was earned by workers in finance, insurance and real estate. Workers in this industry also experienced the greatest increase in wages in both the one- and five-year periods. Government workers earned the second highest wage. Because the county is a regional center and the base for administrative staff, wages are higher. Even though these are the highest wages in the county, the wages fall short of counterpart wages statewide. The industry with the lowest wages, retail trade, comes closest to matching wages for similar work in the state. Overall, wages in the county were roughly 71 percent of the state annual wage of \$29,609, the lowest share in six years. County increases in annual wages lagged the 3.8 percent increase statewide from 1998 to 1999, and the 21.7 percent increase over the five-year period.

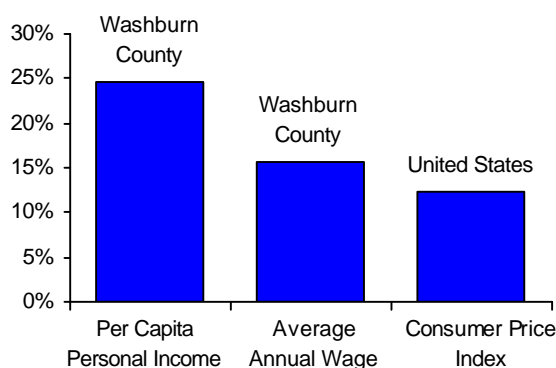
Washburn County Wage and Income Data



The per capita personal income (PCPI) includes total income from wages and self-employment, assets (dividends, interest, rent), and transfer payments (social security, insurance, welfare) divided by total population. In 1999, the PCPI in Washburn County was 73 percent of the state's, and was lower than 57 other Wisconsin counties.

The PCPI in Washburn County, which increased 24.5 percent in the last five years, lagged both the national and state five-year increases 26.4 and 26.1 percent, respectively. Annual increases in the PCPI have lagged both national and state increases in three of the last five years, including 1999.

Comparison of Selected Data: 1994 - 1999



Growth in the county PCPI outpaced the increase in annual average wages. Net earnings are 53 percent of total personal income (TPI) and include, not only wages of residents (many who work more than one job), but also self-employment and proprietor's income. Net earnings increased 32 percent from 1994 to 1999, much better than the increase in annual wages. Also included in TPI is income from assets, which increased 40 percent and from transfer payments that rose 31 percent. That compares with increases statewide of 41 and 19 percent, respectively. Because of the larger share of population over 65 years old, transfer payments account for 24 percent of total personal income in Washburn County compared with 12 percent statewide.

Per Capita Personal Income

							Percent Change	
	1994	1995	1996	1997	1998	1999	1 year	5 year
United States	\$22,581	\$23,562	\$24,651	\$25,874	\$27,321	\$28,546	4.5%	26.4%
Wisconsin	\$21,699	\$22,573	\$23,554	\$24,791	\$26,227	\$27,370	4.4%	26.1%
Washburn County	\$15,958	\$16,265	\$17,157	\$18,251	\$19,146	\$19,875	3.8%	24.5%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data

	Mean	Median
Accountant	\$ 17.18	\$ 15.57
Cashier-checker	6.72	6.40
Cook, restaurant	7.93	7.43
Janitor/cleaner	8.70	8.24
Laborer, landscaping & grndskpg	8.94	8.17
Machine feeder/offbearer	8.78	8.63
Machinist	14.59	14.67
Maintenance repairer, general	12.43	11.97
Nurse aide	8.74	8.41
Receptionist	8.38	8.21
Registered nurse	18.54	17.99
Retail salesperson	8.40	7.09
Secretary	10.42	10.39
Truck driver, heavy and OTR	14.47	13.39
Woodworking machine setter/ops	9.80	9.68

Source: DWD, Bureau of Workforce Information 1999 OES wage survey for Balance-of-State (non-MSA) counties.

The wages for the selected occupations in this table were reported by employers in non-metropolitan counties in the state who responded to the Occupational Employment Statistics (OES) survey. Employers from all Wisconsin counties participated in the survey but published data was limited to MSAs and a grouping of 'balance-of-state' (BOS) counties. For comparison, the annual average wage of workers in Washburn County was 92 percent of that for workers in all BOS counties. However, that varies by industry from 105 percent in the finance, insurance and real estate division to 62 percent in transportation, communication and utilities.

Wages play a critical role in the economy as both workers and employers try to capitalize their worth. The labor shortage has placed additional pressure on wages and those occupations with a mean (average) and median (mid-point) wage relatively close reflect that. Mean wages include both very low and high wages, but as the labor market tightens employers offering low wages migrate closer to the mid-point.